

IC 6-1.1-20.9

Chapter 20.9. Homestead Credit

IC 6-1.1-20.9-1

Definitions

Sec. 1. As used in this chapter:

- (1) "Dwelling" means any of the following:
 - (A) Residential real property improvements which an individual uses as his residence, including a house or garage.
 - (B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.
 - (C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.
- (2) "Homestead" means an individual's principal place of residence which:
 - (A) is located in Indiana;
 - (B) the individual either owns or is buying under a contract, recorded in the county recorder's office, that provides that he is to pay the property taxes on the residence; and
 - (C) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

As added by Acts 1979, P.L.60, SEC.1. Amended by P.L.1-1993, SEC.32; P.L.291-2001, SEC.144.

IC 6-1.1-20.9-2 Version a

Homestead credit; amount; eligibility

Note: This version of section effective until 1-1-2006. See also following version of this section, effective 1-1-2006.

Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

- (1) the percentage prescribed in subsection (d); multiplied by
- (2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:
 - (A) attributable to the homestead during the particular calendar year; and
 - (B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first

against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10, in its sole discretion, may increase the percentage of the credit provided in the schedule for any year, if the board feels that the property tax replacement fund contains enough money for the resulting increased distribution. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board in its discretion increases the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

As added by Acts 1979, P.L.60, SEC.1. Amended by P.L.44-1984, SEC.5; P.L.332-1989(ss), SEC.12; P.L.26-1996, SEC.6; P.L.57-1997, SEC.1; P.L.291-2001, SEC.125; P.L.192-2002(ss), SEC.38.

IC 6-1.1-20.9-2 Version b

Homestead credit; amount; eligibility

Note: This version of section effective 1-1-2006. See also preceding version of this section, effective until 1-1-2006.

Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

- (1) the percentage prescribed in subsection (d); multiplied by
- (2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10 shall increase the percentage of the credit provided in the schedule for any year if the budget agency determines that an increase is necessary to provide the minimum tax relief authorized under IC 6-1.1-21-2.5. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board must increase the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals

the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

As added by Acts 1979, P.L.60, SEC.1. Amended by P.L.44-1984, SEC.5; P.L.332-1989(ss), SEC.12; P.L.26-1996, SEC.6; P.L.57-1997, SEC.1; P.L.291-2001, SEC.125; P.L.192-2002(ss), SEC.38; P.L.246-2005, SEC.63.

IC 6-1.1-20.9-3

Certified statement to claim credit; filing; notice of change of use; reapplication

Sec. 3. (a) An individual who desires to claim the credit provided by section 2 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement shall include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. With respect to real property, the statement must be filed during the twelve (12) months before May 11 of the year prior to the first year for which the person wishes to obtain the credit for the homestead. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of the first year for which the individual wishes to obtain the credit. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the credit is allowed.

(b) The certified statement referred to in subsection (a) shall contain the name of any other county and township in which the individual owns or is buying real property.

(c) If an individual who is receiving the credit provided by this chapter changes the use of the individual's real property, so that part or all of that real property no longer qualifies for the homestead credit provided by this chapter, the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use within sixty (60) days after the date of that change. An individual who changes the use of the individual's real property and fails to file the statement required by this subsection is liable for the amount of the credit he was allowed under this chapter for that real property.

(d) An individual who receives the credit provided by section 2 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

- (1) the individual is the sole owner of the property following the death of the individual's spouse;
- (2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or
- (3) the individual is awarded sole ownership of property in a divorce decree.

As added by Acts 1979, P.L.60, SEC.1. Amended by P.L.73-1987, SEC.3; P.L.55-1988, SEC.9; P.L.125-1999, SEC.2; P.L.90-2002, SEC.198; P.L.177-2002, SEC.8.

IC 6-1.1-20.9-4

Transmittal of credit statement to other county if individual owns or is buying in other county; return with notation to original county

Sec. 4. (a) The auditor of a county (referred to in this section as the "first county") with whom a credit statement is filed under section 3 of this chapter shall immediately prepare and transmit a copy of the statement to the auditor of any other county (referred to in this section as the "second county") if the individual who claims the credit owns or is buying real property located in the second county.

(b) The county auditor of the second county shall note on the copy of the statement whether or not the individual has claimed a credit for the current year under section 2 of this chapter for a homestead located in the second county. The auditor shall then return the copy to the auditor of the first county.

As added by Acts 1979, P.L.60, SEC.1.

IC 6-1.1-20.9-5

Alphabetical file of credit statements

Sec. 5. (a) Each year, the county auditor shall place the original copies of all credit statements filed under section 3 of this chapter in alphabetical order by townships. And, he shall, without regard to townships, place the duplicate copies for the entire county in alphabetical order.

(b) The auditor shall ascertain from the alphabetical files whether or not more than one (1) statement has been filed by the same individual.

(c) The county auditor may not grant an individual a credit under section 2 of this chapter if:

- (1) the individual, for the same year, claims the credit on two
- (2) or more different statements; and
- (2) the statements claim the credit for different property.

As added by Acts 1979, P.L.60, SEC.1.

IC 6-1.1-20.9-6

Certification of amount of assessed valuation qualifying for and amount of homestead credits

Sec. 6. Before April 1 of each year prior to the year in which the credit is allowed, the auditor of each county shall certify to the department of local government finance the amount of the assessed valuation which qualifies for the homestead credit. Before February 1 of each year, the auditor of each county shall certify to the department of local government finance the amount of homestead credits allowed in that county for that calendar year.

As added by Acts 1979, P.L.60, SEC.1. Amended by P.L.49-1996, SEC.5; P.L.90-2002, SEC.199.